

## Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SWF-02 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7076

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

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PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ETRD, OCON, EEC

SUBJECT: EC COUNCIL OF MINISTERS (AGRICULTURAL) MEETING ON JUNE 17-18

REF: (A) EC A-112; (B) EC A100

1. BEGIN SUMMARY: THE HIGHLIGHT OF THE EC COUNCIL OF MINISTERS (AGRICULTURAL) MEETING ON JUNE 17-18 IN LUXEMBOURG WAS THE SPEECH BY U.K. MINISTER OF AGRICULTURE PEART ON CHANGES IN THE CAP. THE COUNCIL AGREED TO STUDY THE U.K. PROPOSAL DURING THE LAST SIX MONTHS OF THIS  
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YEAR. THE U.K. RECEIVED AUTHORIZATION FOR CONTINUING ITS SUMSIDIES TO

PIG PRODUCERS, AND AGREED TO INCREASE ITS ORIENTATION PRICE FOR CATTLE

BY 10 PERCENT. ITALY AGREED TO LIFT IST ADVANCE IMPORT DEPOSIT FOR PORK BEFORE JULY 1. FOR MOST OTHER AGRICULTURAL PRODUCTS, THE COMMISSION HOPES TO SET A DATE BEFORE AUGUST 1 FOR ABOLISHING THE ITALIAN DEPOSITS. THE COUNCIL ADOPTED SEVERAL NEW REGULATIONS TO HELP EASE THE DIFFICULT SITUATION IN THE LIVESTOCK SECTOR, INCLUDING A REGULATION CONCERNING PORK STORAGE SUBSIDIES. AFTER HOURS OF DISCUSSION, THE COUNCIL FAILED TO AGREE ON A PROPOSED REGULATION SUSPENDING, UNDER CERTAIN CONDITIONS, THE MONETARY COMPENSATORY AMOUNTS FOR PORK, POULTRY AND EGGS. THE COUNCIL DID AGREE TO A REGULATION PROVIDING FOR THE POSSIBILITY OF IMPOSING AN EXPORT LEVY ON SUGAR PRODUCED IN EXCESS OF QUOTAS. END SUMMARY.

2. THE SPEECH BY THE U.K. MINISTER OF AGRICULTURE PEART, ON QUOTE SUGGESTED IMPROVEMENTS IN THE COMMON AGRICULTURAL POLICY UNQUOTE, HIGHLIGHTED THE JUNE 17-18 MEETING IN LUXEMBOURG OF THE EC COUNCIL OF AGRICULTURAL MINISTERS. A SUMMARY OF PEART'S REMARKS FOLLOWS BY SEPTTEL. THE COUNCIL, AFTER HEARING PEART'S SPEECH, AGREED TO STUDY HIS PROPOSALS DURING THE NORMAL COURSE OF BUSINESS IN THE LAST SIX MONTHS OF 1974.

3. THE COUNCIL AGAIN DISCUSSED THE ITALIAN ADVANCE IMPORT DEPOSIT SYSTEM FOR AGRICULTURAL PRODUCTS, IN PARTICULAR THE DATE ON WHICH THE DEPOSIT REQUIREMENT WILL BE LIFTED. ITALY AGREED TO ABOLISH THE DEPOSIT REQUIREMENT FOR PORK BY JULY 1 AT THE LATEST. FOR MOST OTHER PRODUCTS, COMMISSIONER LARDINOIS REPORTEDLY STATED HE HOPES THAT BY AUGUST 1, THE COMMISSION AND ITALY CAN AGREE TO A DATE FOR THE LIFTING OF THE ADVANCE DEPOSIT.

4. DURING DISCUSSIONS ON THE SITUATION IN THE LIVESTOCK SECTOR, THE U.K. RECEIVED APPROVAL TO CONTINUE ITS SUBSIDIES TO PIG PRODUCERS (REF. A) UNTIL NOVEMBER. THESE SUBSIDIES HAD BEEN SCHEDULED TO END IN JULY. IN RETURN FOR THIS AUTHORIZATION TO CONTINUE THE PIG SUBSIDIES, THE U.K. AGREED TO INCREASE ITS ORIENTATION PRICE FOR CATTLE TO 820 U.A./M.T. ON JULY 1. AS MAY BE RECALLED, IN MARCH THE U.K. HAD RECEIVED AUTHORIZATION TO HAVE A LOWER CATTLE ORIENTATION PRICE (OF 745 U.A./M.T.) THAN WOULD HAVE BEEN THE CASE HAD IT MADE THE NECESSARY ADJUSTMENT TO THE COMMON PRICE LEVEL (REF. B).

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5. TO HELP FIRM UP PRICES FOR PORK, THE COUNCIL ADOPTED A REGULATION EASING THE CONDITIONS UNDER WHICH STORAGE SUBSIDIES CAN BE IMPLEMENTED. FOR BEEF, THE COUNCIL ADOPTED REGULATIONS CONCERNING THE PROCESSING OF INTERVENTION STOCKS AND FEOGA FINANCING OF THE COSTS OF MOVING INTERVENTION BEEF FROM ONE INTERVENTION CENTER TO ANOTHER.

6. THE COUNCIL SPENT HOURS DISCUSSING A COMMISSION PROPOSAL

TO SUSPEND THE MONETARY COMPENSATORY AMOUNTS FOR PORK, POULTRY AND EGGS WHEN (AS AT PRESENT) SUCH COMPENSATORY AMOUNTS ARE NOT IN EFFECT FOR GRAINS BECAUSE OF NO, OR SMALL, GRAIN IMPORT LEVIES. WITH ONE EXCEPTION, ALL MEMBER STATES FINALLY AGREED TO THE PROPOSAL. BELGIUM, HOWEVER, ADAMANTLY REFUSED TO AGREE. (IN BELGIUM, AS IN GERMANY AND THE NETHERLANDS, COMPENSATORY AMOUNTS ACT AS EXPORT SUBSIDIES AND IMPORT LEVIES.) IT WAS FINALLY DECIDED THAT COUNCIL DISCUSSIONS WOULD BE RESUMED ON THE SUBJECT IN SEPTEMBER.

7. ITALY REPORTEDLY REQUESTED, BUT FAILED TO OBTAIN APPROVAL, THAT IT BE ALLOWED TO SUBSIDIZE IMPORTS OF SUGAR FROM THIRD COUNTRIES. THE COUNCIL, HOWEVER, DID AGREE TO PROPOSED REGULATIONS PROVIDING FOR THE POSSIBILITY OF IMPOSING AN EXPORT LEVY ON SO-CALLED "C SUGAR" (SUGAR PRODUCED IN EXCESS OF THE SUM OF THE BASIC AND MAXIMUM QUOTAS; SUCH SUGAR RECEIVES NO GUARANTEED SUPPORT) AND ON PROCESSED PRODUCTS CONTAINING SUGAR.

8. THE COUNCIL ALSO ADOPTED (A) A REGULATION FIXING AT ZERO THE CARRYOVER PAYMENT FOR CORN; (B) A REGULATION FIXING THE 1974/75 DURUM SUBSIDY; AND (C) A DIRECTIVE HARMONIZING MEMBER STATES' LEGISLATION CONCERNING EMULSIFIERS, STABILIZERS, ETC., USED IN FOODS.

9. THE COMMISSION ANNOUNCED THAT IT EXPECTS TO SUBMIT SOON TO THE COUNCIL PROPOSED REGULATIONS ESTABLISHING CAP'S FOR POTATOES AND SHEEP MEAT.

10. THE NEXT MEETING OF THE COUNCIL OF AGRICULTURAL MINISTERS IS SCHEDULED FOR JULY 15-16. GREENWALD

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## Message Attributes

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